

Registration of a Limited Liability Company in Kazakhstan: A Strategic Solution for Central Asia and the Russian Market

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In the context of the international expansion of companies, one of the most strategic choices for operating in Kazakhstan and Central Asia concerns the registration of a limited liability partnership (LLP) under Kazakh law.

In fact, among the various forms of registration permitted by Kazakh law, which range from the registration of an Italian company as a local taxpayer to the registration of a branch of an Italian company to the participation in an LLP under Kazakh law, the registration of a Kazakh legal entity in the form of an LLP under local law is the most flexible and effective solution, characterised by a wide operational and fiscal freedom, without the burden of rigid administrative controls.

In addition, the LLP is a highly flexible legal form with few operational and bureaucratic restrictions and is the ideal solution for companies that need a simple structure that does not have the burden of complex audits or publication of financial statements (except in cases expressly provided for by law).

The share capital of the LLP is determined by the sum of the founders' contributions. The minimum amount of the share capital in general cannot be less than 100 times the monthly calculation index (for 2024, equal to 369,200 tenge, approximately €738).

The ownership shares within the LLP are proportional to the contributions made by the participants in the authorised capital, unless the constitutive documents provide for a different distribution of shares.

One of the main features of the LLP is the separation between the obligations of the legal entity and those of its participants, so the LLP is not liable for the personal obligations of its founders and members, and LLP participants are liable for the obligations of the company only to the extent of the value of their contribution to the share capital.

According to Kazakh legislation, citizens of the Republic of Kazakhstan, foreigners with a residence permit in Kazakhstan, foreign legal entities and foreigners without a residence permit with a business visa may be founders of an LLP. In fact, in order to register an LLP in Kazakhstan, a foreign citizen must comply with specific requirements imposed by Kazakh immigration legislation and must therefore obtain a business migration visa, as stipulated in the Law of the Republic of Kazakhstan of 22 July 2011, No. 477-IV 'On Population Migration'.

On 26 September 2024, the Minister of Justice made changes to the regulations on the provision of public services in the area of state registration of legal entities belonging to small or medium-sized business entities by providing for the submission of a specific electronic application.

Given the opportunities that the registration of an LLP under Kazakh law offers, it involves a complex process that must be followed scrupulously to ensure compliance with the local legal and tax regulations in force. Given the complexity of this process, it is advisable to rely on experienced professionals who can assist with accuracy and speed, ensuring the compliance with local regulations and the correct start-up of the activity.

It is therefore the most common form of company in Kazakhstan, accounting for over 95% of all legal entities registered in the country.

In addition, being present on the Kazakh market with an LLP under local law makes it easier to do business with Russia, thanks to the EAEU (Eurasian Economic Union), which guarantees a common market in which goods, people and capital can circulate freely between member countries.

International transactions are made easier thanks to the possibility of opening bank accounts for LLP, which allow for uncomplicated international transactions.

A Kazakh LLP is a legal entity resident in Kazakhstan, so it is not subject to European sanctions and Russian counter-sanctions, making it a particularly attractive choice for business transactions international business transactions.

